

Excerpt from an FBI report read at the audit. Session on. Inmate trial in District Court.

The Washington Evening Star, 19 June 1949

Story of Intrigue Told

A fantastic story of intrigue was read to the jury yesterday on the activities of Nicolae Malaxa, a Romanian multimillionaire, and Gen. Nicolae Radescu, former Romanian Prime Minister. Both Gen. Radescu and Mr. Malaxa live in New York.

The FBI report told how Malaxa began his career, which ultimately made him one of the most influential munitions manufacturers in Europe, by opening a small workshop for repairing rail-

road cars after he graduated from college.

"By means of bribery," the report stated, "he was able to build up a sizable fortune after which he undertook the manufacture of arms and munitions."

Bribed Carol's Secretary

In 1933, according to the report, Mr. Malaxa bribed Puiu Dumitrescu, then private secretary to King Carol, and "was able to establish relations with King Carol and Mme. Elena Lupescu. Thereafter he used his influence in Palace circles to secure the appointment of his own men to such offices as manager of the State Railroad and Minister of Communications."

"During 1937," the report continued, "Malaxa began his collaboration with the Nazi regime in Germany. He established close relations with German industrialists, including Albert Goering, the brother of Herman Goering. Malaxa gave Albert Goering an interest in all his companies, including the Resitza iron and steel works."

With his millions, Malaxa helped finance the Fascist Iron Guard in Romania. When the Guard was smashed after an unsuccessful revolt in 1941, Malaxa was arrested, but "by means of bribery obtained his release."

Went Over to Russians

When the Russians took over Romania, Malaxa shifted sides and was paid \$2,400,000 for damage to some of his factories by the Communist government.

"According to a reliable source," the report continues, "Malaxa was characterized by Col. Pinoginov, chief of the Soviet Economic Mission in Rumania, as a man who was prepared to sell Romania to the U. S. S. R. if he could profit from the transaction."

Malaxa arrived in the United States in October, 1946, and with the aid of the Romanian Minister in Washington, succeeded in floating a loan for \$13,000,000, the report said.

"It is reliably reported that all officials in the Romanian Legation in Washington who can serve this purpose are in Malaxa's pay, and those refusing to co-operate are threatened with recall or otherwise intimidated," the report continued.

Gen. Radescu, according to the

report, is attempting to organize a Romanian resistance movement in this country. Malaxa is said to be financing the general.

The Central Intelligence Agency, the FBI reported, received information that "adherents of Radescu have been spreading the story that the Central Intelligence Agency has intervened with the State Department to secure an extension of Malaxa's visa, in return for which Malaxa would furnish \$1,000,000 to finance a resistance movement."

"The Central Intelligence Agency," the report continues, "has stated that this attempt to implicate their agency in the affairs of Malaxa and Radescu is without foundation in fact, and that Radescu has proposed that CIA transmit certain funds amounting to only a few thousand dollars to certain of his adherents abroad."

Radescu's proposal was rejected because of his association with Malaxa, the CIA reported.

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